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070002305

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING
RELEASE OF INTERNAL REVENUE SERVICE LEINS
UNIT T-17, TRACT 4B

VIRGINIA GAS AND OIL BOARD
DOCKET NO. 92-1117-0284-01

REPORT OF THE BOARD

FINDINGS AND ORDER

1. This Supplemental Order is issued pursuant to provisions of Article 2, § 45.1-361.13 *et. Seq.* of the Virginia Gas and Oil Act. The Supplemental Order is being recorded for the purpose of completing the record regarding requirements for future payment of royalties subsequent to disbursement of funds from the Board's Escrow Account.

2. Findings: The Board finds that:

(a) An order pooling all interests in Oakwood Coalbed Methane Field Unit T-17 ("Subject Drilling Unit") for the production of natural gas from coalbeds was filed with the Clerk of the Circuit Court of Buchanan County in Deed Book 404 at Page 132, and was supplemented by the Board's Supplemental Order Regarding Elections that was filed in Deed Book 411 at page 323. The Board executed an order, under Docket Number 95-0321-0493 and recorded in Deed Book 437 at page 559, modifying the original Order. The modified order was supplemented by the Board's Supplemental Order regarding Elections that was recorded in Deed Book 469 at page 200 ("Pooling Orders").

(b) The Pooling Orders showed Bill and Geneva Ratliff as claimants of coalbed methane gas in Tract 4b.

(c) To the extent claims to the Gas were in conflict, pursuant to Va. Code § 45.1-361-22 payments attributable to said conflicting claims were ordered deposited by the Unit Operator into the escrow account established by the Pooling Orders (herein "Escrow Account").

(c) Subsequent to a Motion for Judgment filed on August 14, 2000 in the Circuit Court of Buchanan County, Virginia Styled DONALD RATLIFF, et al v. HARRISON-WYATT, LLC, Case Number: CL187-00, the Court ruled in favor of plaintiffs, including Bill and Geneva Ratliff. That Decision was appealed to the Virginia Supreme Court and that the Supreme Court, in final non-appealable order, affirmed the Circuit Court opinion.

(d) Subsequent to the Court's decision, the Board issued an order, recorded as Instrument Number 06-0000398, authorizing the escrow agent to disburse funds attributable to Tract 4b and the interests of Bill and Geneva Ratliff ("Disbursement Order"). The Order acknowledged testimony and prior orders indicating the existence of a U. S. Internal Revenue Service lien against the Ratliff property, and prescribed payment of escrowed funds and future royalties in the following manner:

Bill and Geneva Ratliff's interests in Tract 4b are subject to liens recorded by the U. S. Internal Revenue Service (IRS). Testimony and

supporting documentation presented to the Board at its February 15, 2005 hearing indicate that a settlement has been reached with the IRS in which the IRS agrees to a 50/50 split of escrowed funds and future payments, less attorney fees, that are attributable to Bill and Geneva Ratliff. Peter Glubiak, attorney for Ratliffs and other prevailing plaintiffs, testified that all payments should be made jointly to him and Ratliffs and he will be responsible for deducting appropriate fees and forwarding remaining funds to appropriate parties. Future payments are to be paid in like manner until the liens are satisfied.

(e) Board-escrowed funds were disbursed to Bill and Geneva Ratliff in accordance with the Board's order.

(f) The Board has been notified by Peter Glubiak, attorney of record for Bill and Geneva Ratliff, that the Internal Revenue Service has released the tax lien. A copy of the Glubiak letter with Internal Revenue Service attachment, identification numbers redacted, is attached to and made a part of this Supplemental Order.

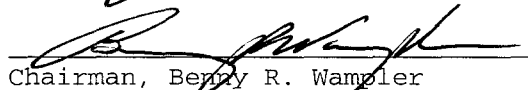
3. Order: By this order, the Board deletes provisions of the Disbursement Order that require payment of future royalties to be made jointly to Peter Glubiak, attorney for Ratliffs, and Ratliffs. All future Royalty payments attributable to Unit T-17 and the interests of Bill and Geneva Ratliff in VGOB Tract 4b shall henceforth be payable directly to Bill and Geneva Ratliff, and mailed directly to:

Bill and Geneva Ratliff
HC65 Box 5
Oakwood, Virginia 24631

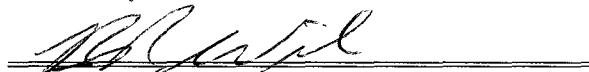
4. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

22. Effective Date: This Order shall be effective as of the date of its execution.

DONE AND EXECUTED this 19th day of June, 2007, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED this 19th day of June, 2007, by Order of this Board.


B. R. Wilson
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 19th day June , 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Notary Public

My commission expires: 9/30/09

PETER G. GLUBIAK
ATTORNEY-AT-LAW
GLUBIAK LAW OFFICE
11165 W. River Road ~ P. O. Box 144
Aylett, Virginia 23009
Phone: 804-769-1616 ~ Fax: 804-769-1897

April 18, 2007

Mr. Bob Wilson, Director
Virginia Division of Gas and Oil
P. O. Box 1416
Abingdon, VA 24212

In Re: **BILL RATLIFF - TAX LIEN RELEASED**

Dear Bob:

I enclose a copy of a letter received by Bill Ratliff from the IRS releasing him from any further collection with regard to the referenced tax lien, along with a copy of the letter from my office to the IRS. As you know, this lien was referenced by you in the orders for disbursement on Mr. Ratliff's behalf and therefore sent to my office with checks written to the order of Bill Ratliff and Geneva Ratliff, C/O Glubiak Law Office, for my disbursal of the appropriate amount to the IRS. Since this is no longer an issue, I would kindly ask that you take the appropriate action to have Mr. & Mrs. Ratliff's check sent directly to them at HC 65, Box 5, Oakwood, Virginia 24631.

By copy of this letter, I am forwarding copies of same to CNX Gas Company, LLC, C/O Petroleum Financial, Inc., 309 West 7th Street, Suite 200, Fort Worth, Texas 76102, as well as to CNX Gas Company, LLC, at 2481 John Nash Blvd, Bluefield, WV 24701.

Thank you for your help and cooperation, and I would appreciate your immediate attention to this matter.

Sincerely,



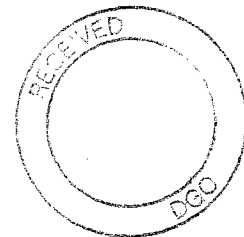
Peter G. Glubiak

PGG/alg

Enclosures

Cc: Mr. Bill Ratliff

CNX Gas Company, LLC (w/enclosures)





Department of the Treasury
Internal Revenue Service

1973 N. Rulon White Blvd.
Ogden UT 84404

In reply refer to: 0468328874
Mar. 19, 2007 LTR 672C 0 Y
[REDACTED] 199506 55 000
00006497
BODC: SB

BILL RATLIFF
HC 65 BOX 5
OAKWOOD VA 24631-9706057

Social Security Number: [REDACTED]
Tax Period(s): June 30, 1995
Form: CVPN

Dear Taxpayer:

We received payments totaling \$469.28 for the tax period(s) shown above. However, the time allowed by law for collecting the amount due has expired. Therefore, you are under no obligation to make these payments. Please let us know what you would like us to do with your payments by checking the appropriate box below. Then sign and return this notice WITHIN 30 DAYS from the date of this letter.

☐ apply the payments to this account. (not legally required)
☒ return the payments.

Bill Ratliff

Your signature

3-27-07

Date

Your telephone number () [REDACTED] Hours 8AM-6PM

LIMITATIONS ON CREDIT OR REFUND (Period for Filing Claim)

Under section 6511 of the Internal Revenue Code, the taxpayer has the following periods in which to file a claim for credit or refund of a tax overpayment: A. When the taxpayer is required to file a tax return, the claim must be filed within 3 years from the date the return was filed or 2 years from the date the tax was paid, whichever is later. If a return was not filed, the taxpayer must file a claim for credit or refund within 2 years from the date the tax was paid. B. The taxpayer has 3 years to file a claim for credit or refund of a tax overpayment when the tax was paid with a tax stamp.

If you have any questions, please call Dave Montgomery at 801-620-4692 between the hours of 4:30p.m. and 12:00a.m.MDT. If the number is outside your local calling area, there will be a long-distance charge to you.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

0468328874

Mar. 19, 2007 LTR 672C 0 Y

226-52-4967 199506 55 000

00006498

BILL RATLIFF
HC 65 BOX 5
OAKWOOD VA 24631-9706057

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number () [REDACTED] Hours 8AM - 6PM

We apologize for any inconvenience and thank you for your cooperation.

Sincerely yours,

Maureen Green

Maureen Green
Operations Manager, Collection

Enclosure(s):
Copy of this letter
Envelope

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgement annexed, admitted to record this 21st day of June,

20 07 Instrument No. 07 000 2305

TESTE: Beverly S. Tiller, Clerk

Returned to: Omme

TESTE: Beverly S. Tiller

~~Deputy~~ Clerk

ENTERED

INSTRUMENT #07002205
RECORDED IN THE CLERK'S OFFICE OF
JOHANN COUNTY ON
JUNE 21, 2007 AT 02:35PM
BEVERLY S. TILLEN, CLERK
RECORDED BY: TL2

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